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# Weekly Payroll Jobs and Wages in Australia methodology

Reference period Week ending 16 January 2021

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Released 2/02/2021

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The following sections have been updated in this release:

- How data are processed: Accruing end of year financial payments (moved from Data limitations and revisions)
- Data limitations and revisions: Week on week revisions; Methods review (previously Update of characteristics variables); Age derivation update; and Year-end reporting.

## How data are collected

### Source

The Australian Taxation Office (ATO) receives payroll information from businesses with

Single Touch Payroll (STP) enabled payroll and accounting software each time the business runs its payroll. The ATO provides selected business and job level data items from the STP system to the ABS for the production of statistics.

## Scope and coverage

The scope and coverage of these estimates are largely defined and constrained by the characteristics of the data sources from which these estimates are produced. As such, users should note that not all jobs and wages in the Australian labour market are captured within these estimates.

## Payroll jobs

Payroll jobs as reported to the ATO through STP are in scope of these estimates. All payroll job holders regardless of age or Australian residency status are included. Persons reported via STP must hold either a Tax File Number (TFN) or an Australian Business Number (ABN).

A payroll job is a relationship between an employee and their employing enterprise, where the employee is paid in the reference week through STP-enabled payroll or accounting software and reported to the ATO. Where an employee is paid other than weekly, the established payment pattern is used to include payroll jobs paid in weeks outside the reference week.

Payroll jobs reported via STP exclude owner managers of unincorporated enterprises.

Employers with 20 or more employees (large employers) commenced transition to STP reporting on 1 July 2018, with approximately 99% of large employers reporting through STP at the time of this release. Payroll reporting via STP is still relatively new and some employers have been granted concessions to enable a longer transition period to mandatory STP reporting.

Employers with less than 20 employees (small employers) began transitioning to STP on 1 July 2019. The ATO has made reporting concessions available for small employers where they:

- employ family members or other 'closely held' payees,
- are micro employers with one to four employees,
- employ intermittent or seasonal workers, or
- don't have access to a reliable internet connection.

As such, at the beginning of September 2020 approximately 77% of small employers are reporting through STP. This figure is lower than reported previously, as the ATO has recently redefined and revised their underlying employer population from a 2017 basis to a 2020 basis. This resulted in a decrease in the proportion of small employers reporting through

STP as a large number of small employers (with closely held employees) are exempt from STP reporting for this financial year.

In addition, payroll jobs reported in the Defence Industry (ANZSIC Class 7600) are excluded from these estimates by the ABS to better align with other [Labour estimates](https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/6150.0~Oct%202019~Main%20Features~Australian%20Labour%20Account%20Concepts~4) (<https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/6150.0~Oct%202019~Main%20Features~Australian%20Labour%20Account%20Concepts~4>).

## **Wages**

The STP reported wages associated with each payroll job are in scope of these estimates. Wages are gross amounts, prior to taxation and deductions and include:

- salary payments and allowances,
- labour hire payments and foreign income,
- the value of payments in kind (where a fringe benefit amount is recorded),
- bonuses where they are reported in the same field as normal payments.

The total wages concept broadly aligns with the [Australian System of National Accounts](https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/5216.0Glossary12015?OpenDocument) (<https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/5216.0Glossary12015?OpenDocument>). (ASNA) definition of wages and salaries, with the exception of payments to employee's superannuation and severance and termination payments which are excluded.

More specifically, the following STP reported income items are included in the production of wages estimates;

- gross income amount (including bonuses),
- allowance income,
- fringe benefit amount (reportable, taxable),
- fringe benefit amount (reportable, tax exempt),
- other income (not specified),
- foreign income amount including tax exempt income,
- Community Development Employment Project income.

## **Other data sources**

The STP data are enhanced by combining with other administrative data held by the ABS (also sourced from the Australian taxation system).

With the exception of Age (which is calculated from date of birth in STP data), sex and geographic variables are primarily sourced from Client Register data (supplied by ATO to the ABS as part of the transfer of Personal Income Tax data). When this information is not available, these variables are sourced from STP data.

Industry of activity and employment size variables of the employing business are sourced from the ABS Business Register.

## How data are processed

To produce estimates from STP data, a number of processes and treatments are applied.

### Calendarisation

The STP data are reported on a cash basis (the time when the payment was made) rather than an accrual basis (the time when the payment was earned). Production of real time estimates require the conversion of STP data from a cash basis to an accrual basis. This is done through a “calendarisation” method. This method breaks down all records to a common period (daily), which allows the data to be aggregated and analysed for any longer period (e.g. weekly).

The calendarisation method includes the following steps:

- calculation of the periodicity (payment frequency) using the start and end date of the payment period,
- calculation of a daily pay rate by dividing the total payments by the payment frequency (for example, weekly pay is divided by seven), and
- an adjustment to the periodicity for a job to exclude the days before commencement (or after termination), where the start or termination date for a job occurs within the payment period.

### Accruing end of financial year payments

Towards the end of the financial year, unadjusted STP data includes higher than usual week-to-week changes in total wages paid. In particular, some employers report lumped fringe benefits tax (FBT) payment amounts for eligible employees at the end of the financial year. This is most evident in the Health care and social assistance industry. In order to reduce the reporting variability introduced by these payments, the ABS has determined and applied an adjustment factor to accrue reported FBT amounts across the relevant financial year wages series. It is applied to all records which include reportable FBT amounts, not just those in the Health care and social assistance industry.

This adjustment factor has been applied for the 2020-21 financial year, but will be revised at the conclusion of each financial year using business reported data to ensure it remains current. This treatment enhances the existing calendarisation methodology and is consistent with the definition of wages and salaries used in the Australian System of National Accounts. More information about employer reporting of FBT is available from the ATO website.

This adjustment methodology is not possible for other extraordinary payments (such as bonuses) where they are included with the wages data in the period they are paid. Bonuses are not currently readily distinguishable from the wages component of the STP job level dataset (unlike reportable FBT amounts) and can be paid at any time.

## Imputation

In addition to cash reporting, the STP payment data that are extracted for a specific week cycle will be incomplete due to different payment and reporting frequencies. For example, a business with a fortnightly payroll will only report payments in alternate weeks in the STP dataset. As at August 2020, the data indicated that 31% of employees are paid weekly; 50% are paid fortnightly; 13% paid monthly; and 6% are paid quarterly or infrequently.

To produce reliable weekly statistics, an imputation method is applied to account for different payment and reporting habits which includes the following considerations:

- Business reported data is included for all employees paid weekly due to the 17-day lag between the reference week and the release of estimates. Actual payments for most employees paid fortnightly and some employees paid monthly are also available. Analysis indicates that STP data for the most recent reference week at the time of initial publication is approximately 75-80% complete and can take several months to be fully complete (i.e. quarterly STP reporters).
- Imputation is not applied for the small proportion of employees who are paid quarterly or infrequently as there is no established pattern of payment to extrapolate forward.
- If an employee has not yet had payment data reported and they have not been flagged for termination, it is assumed that their payment status is consistent with their previous reporting record. The previous calculated daily rate will be imputed for the current period.
- If an employee has no payment data reported for two consecutive pay periods, it is assumed that their employment has been terminated. No further imputation is applied.
- No imputation is applied for new employees without historical payment information, until a pattern can be determined. This means that there is an inherent and unavoidable lag before new payroll jobs appear in the data after their initial pay period. The lag is longer for new jobs with employers who have less frequent payment and reporting periods. This is accounted for via a coverage adjustment which is described further in [Data limitations and revisions \(<https://abs.gov.au/methodologies/weekly-payroll-jobs-and-wages-australia-methodology/week-ending-16-january-2021#data-limitations-and-revisions>\)](https://abs.gov.au/methodologies/weekly-payroll-jobs-and-wages-australia-methodology/week-ending-16-january-2021#data-limitations-and-revisions).

## Aggregation

Once STP data are converted via the calendarisation method and imputation is applied, the data are aggregated for each week (ending Saturday) to produce:

- total payroll jobs, which is the average of the 7 days of payroll job counts,

- total wages, which is the sum of all daily wages for the week, except for employees who cease a job during the week where only the wages for the days worked are included, and
- average weekly wage per payroll job, which is calculated by dividing the total wages value by the total payroll jobs number.

## Suppression

To protect the confidentiality of individuals, data are subject to a suppression process. Data suppression is generally applied to finer level estimates, where a smaller number of individuals contribute to the estimate (such as sub-state indexes). The existing data suppression process has recently been reviewed and updated, and applied to estimates since the 20 October 2020 release. This has resulted in an improvement in the quality of the underlying data used to produce the sub-state datacube and interactive maps. Previously released national, state and territory and industry indexes were not changed by this updated process.

## Creating payroll jobs and total wages indexes

Estimates are supplied as indexes to provide an indication of movements (rather than level estimates) during the COVID-19 period. In order to compare changes over time, the week in which Australia recorded its 100th confirmed coronavirus case (i.e. the week ending 14 March 2020) is used as the reference period for constructing the indexes and given an index value of 100.0. These indexes differ from the ABS' suite of price indexes (including the Wage Price Index) which measure changes in price over time unaffected by quality or quantity and should not be directly compared.

Indexes allow comparison of data between two points in time, the points in time can be adjacent (this week and the previous week) or many weeks apart. Movements in the index from one period to another can be expressed as either points or percentage change and these are rounded to one decimal place. The following example illustrates the method of calculating changes in index points and percentage changes between any two periods:

Index number	
Week ending 26 September 2020 for SA4: Melbourne - Inner	92.5
Less week ending 29 August 2020 for SA4: Melbourne - Inner	92.2
Change in index points	0.3
Percentage change	$0.3/92.2 \times 100 = 0.3\%$

The following example illustrates the method of calculating a recovery percentage change between any two periods:

	Index number
National payroll jobs index for week ending 14 March 2020	100
Less National payroll jobs index for week ending 18 April 2020	91.5
Payroll jobs lost from 14 March index value (denominator)	8.5
National payroll jobs for week ending 31 October 2020	98.8
Less National payroll jobs index for week ending 18 April 2020	91.5
Recovery index points (numerator)	7.3
Recovery percentage change	$7.3/8.5 \times 100 = 85.9\%$

## Accuracy

STP is a dynamic administrative data source, hence these estimates may be subject to the following sources of error:

- Conceptual misalignment - The Australian tax system is purpose-built and complex, and in some cases it is difficult to determine how a particular STP item should be used to describe impact on payroll jobs and wages. While all care is taken, some income items are subject to this type of validity error. Coherence with other sources indicates that this has a low impact on the aggregate series.
- Reporting error - This is likely to be present in both person and business information used. Most reporting errors are unable to be determined or corrected; however, coherence with other similar statistics demonstrates that this has a low impact on the aggregate series.

For further information, please see [Data limitations and revisions \(https://abs.gov.au/methodologies/weekly-payroll-jobs-and-wages-australia-methodology/week-ending-16-january-2021#data-limitations-and-revisions\)](https://abs.gov.au/methodologies/weekly-payroll-jobs-and-wages-australia-methodology/week-ending-16-january-2021#data-limitations-and-revisions).

## Coherence

There are differences between these estimates and similar statistics produced by the ABS. When compared to other ABS sources, the change in payroll jobs, change in wages paid and change in average weekly wage per job in these estimates may differ due to differences in the concepts, scope and methodology used. For example, these estimates:

- contain a combination of administrative data collected for taxation purposes from businesses, whereas other ABS data sources are compiled for the explicit purpose of producing statistics,
- exclude unreported cash in hand payments which may be included in household and business surveys,
- may include information relating a reference week, rather than a particular point in time,
- are not currently able to be adjusted with respect to seasonality, unlike other Labour Force releases, and
- provide a view of payroll jobs, whereas the Labour Force survey presents a view of employed persons. The difference being those people who hold more than one job at a time (i.e. secondary jobs).

For further information, please see [Differences to Labour Force employment statistics](https://abs.gov.au/methodologies/weekly-payroll-jobs-and-wages-australia-methodology/week-ending-16-january-2021#differences-to-labour-force-employment-statistics) (<https://abs.gov.au/methodologies/weekly-payroll-jobs-and-wages-australia-methodology/week-ending-16-january-2021#differences-to-labour-force-employment-statistics>).

## How data are released

All estimates are presented for weeks ending on a Saturday. Core estimates are released fortnightly on Tuesdays during the COVID-19 period (i.e. a 17-day time lag after the reference week). The ABS has worked to optimise both the timeliness and quality of these data, however revisions in subsequent releases are necessary. Please see [Data limitations and revisions](https://abs.gov.au/methodologies/weekly-payroll-jobs-and-wages-australia-methodology/week-ending-16-january-2021#data-limitations-and-revisions) (<https://abs.gov.au/methodologies/weekly-payroll-jobs-and-wages-australia-methodology/week-ending-16-january-2021#data-limitations-and-revisions>) for more information.

## Summary of outputs

The following core estimates are produced for each release:

- payroll jobs and total wages, presented as indexes and percentage change movements, and
- average weekly wages per payroll job, for selected characteristics.

Other than indicative numbers on changes in jobs between March and the current period, levels for jobs and wages are not available for release. The payroll jobs index provides a measure of changes in jobs over time since the week ending 14 March 2020. Information on levels for jobs is best sourced from estimates of filled jobs from [Labour Account Australia](https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-account-australia/latest-release) (<https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-account-australia/latest-release>) and estimates of employed persons from [Labour Force, Australia](https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release) (<https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release>). More information is included in [Differences to Labour Force employment statistics](https://abs.gov.au/methodologies/weekly-payroll-jobs-and-wages-australia-methodology/week-ending-16-january-2021#differences-to-labour-force-employment-statistics) (<https://abs.gov.au/methodologies/weekly-payroll-jobs-and-wages-australia-methodology/week-ending-16-january-2021#differences-to-labour-force-employment-statistics>).

Estimates are available at the national, state and territory and [Australian and New Zealand Standard Industry Classification \(ANZSIC\)](https://www.abs.gov.au/ausstats/abs@.nsf/mf/1292.0) (<https://www.abs.gov.au/ausstats/abs@.nsf/mf/1292.0>) division by selected personal attributes, including sex and 10 year age group.

[Australian Statistical Geography Standard](https://www.abs.gov.au/websitedbs/d3310114.nsf/home/australian+statistical+geography+standard+(asgs)) ([https://www.abs.gov.au/websitedbs/d3310114.nsf/home/australian+statistical+geography+standard+\(asgs\)](https://www.abs.gov.au/websitedbs/d3310114.nsf/home/australian+statistical+geography+standard+(asgs))) sub-state regions (Statistical Area 4 and Statistical Area 3) and ANZSIC sub-division estimates are updated on alternate releases for payroll jobs only. These estimates are published the day after

the main release.

## Time series estimates

The estimates are presented as an original series only. Seasonally adjusted and trend estimates are not yet available. A number of years of data will be required before seasonal patterns can be observed and adjusted for.

The calendarisation and imputation methodologies applied to the estimates account for calendar related variations, such as the number of days in a month, and different payment frequencies.

## Revisions

The data underlying these estimates are revised for each release and reflected in percentage change movements and indexes. Please see [Data limitations and revisions](https://abs.gov.au/methodologies/weekly-payroll-jobs-and-wages-australia-methodology/week-ending-16-january-2021#data-limitations-and-revisions) (<https://abs.gov.au/methodologies/weekly-payroll-jobs-and-wages-australia-methodology/week-ending-16-january-2021#data-limitations-and-revisions>) for more detail.

## Privacy and confidentiality

Legislative requirements to ensure privacy and secrecy of this data have been adhered to. In accordance with the Census and Statistics Act 1905, results have been confidentialised to ensure that they are not likely to enable identification of a particular person or organisation.

All personal information is handled in accordance with the Australian Privacy Principles contained in the Privacy Act 1988. For more information, see [ABS Privacy](https://www.abs.gov.au/websitedbs/d3310114.nsf/home/privacy?opendocument) (<https://www.abs.gov.au/websitedbs/d3310114.nsf/home/privacy?opendocument>)..

## More information

For more information on this methodology please email [labour.statistics@abs.gov.au](mailto:labour.statistics@abs.gov.au) (<mailto:labour.statistics@abs.gov.au>).

## Data limitations and revisions

Weekly Payroll Jobs and Wages in Australia estimates are derived from data collected via the STP system, which effectively supports employer reporting obligations and ATO operational requirements through enabled software. However, it is not primarily designed to support the production of statistics and therefore some inherent limitations of the data require specific treatment and result in data revisions between statistical publications.

The weekly change estimates for the most recent weeks of data contain a higher degree of

reporting variability and imputation (described further below). The ABS recommends that users exercise caution when focusing on change in the most recent weeks, as these estimates are subject to a greater levels of revision in subsequent releases.

As the compilation of these estimates evolves, reporting patterns sometimes arise which require detailed analysis and treatment. Outcomes from these analyses may result in changes to methodology or revisions to data which will be updated here, as required.

## **Week on week revisions**

Payroll jobs and wages estimates (including percentage change movements and indexes) are revised in each release across the time series. These revisions arise from:

- the aim to release data as close as possible to the period when the activity occurred,
- the receipt of more complete STP data over time,
- the incorporation of newly available businesses in STP reported data.

Revisions have the greatest impact on the most recently reported information. Over time, as more business-reported data is received, the size of revisions decreases. Analysis indicates that at the time of initial publication, the data for the most recent reference week is approximately 75-80% complete and can take several months to be fully complete (i.e. quarterly STP reporters). To reduce the impact of week on week revisions, the ABS uses historical information to impute the most recent weeks data. The ABS is taking a cautious approach to imputation as factors influencing jobs can occur unexpectedly, for example, the surge in COVID-19 cases in Victoria in July 2020.

Some component indexes may be subject to higher than usual levels of revision over longer periods than other estimates, such as employment size indexes. The ABS is currently investigating underlying data to identify the cause and establish a method to reduce the future level of revisions in this series.

## **Methods review**

As part of the transition of the Weekly Payroll Jobs and Wages series from a temporary COVID-19 product to an ongoing ABS output, the ABS are reviewing the methods and refreshing the data sources supporting these estimates. The ABS is currently investigating methods to improve the quality of payroll job and job holder characteristics variables: Age; gender; industry; employment size; and geography.

In the coming months, the ABS will be progressively implementing updated methods which may result in a refresh of existing characteristics values and the population of 'unknown' values.

A regular refresh of the data sources, which support the determination of characteristics variables in these estimates, will also be established to maintain the currency and relevance of these data. As updated methods are implemented, more information will be provided in the [How data are processed](https://abs.gov.au/methodologies/weekly-payroll-jobs-and-wages-australia-methodology/week-ending-16-january-2021#how-data-are-processed) (<https://abs.gov.au/methodologies/weekly-payroll-jobs-and-wages-australia-methodology/week-ending-16-january-2021#how-data-are-processed>) and [Data limitations and revisions](https://abs.gov.au/methodologies/weekly-payroll-jobs-and-wages-australia-methodology/week-ending-16-january-2021#data-limitations-and-revisions) (<https://abs.gov.au/methodologies/weekly-payroll-jobs-and-wages-australia-methodology/week-ending-16-january-2021#data-limitations-and-revisions>) sections.

## Age derivation update

In line with the Methods review outlined above, an investigation of existing methods highlighted an issue with the derivation of age (and consequently age group indexes). The issue related to how age was determined with respect to the current reference week. For example, at the time of the first release on 21 April 2020, there were approximately 509,000 payroll jobs reported to be held by 15-19-year olds in the week ending 14 March 2020. As at the 19 January 2021 release, this cohort was estimated to contain 434,000 payroll jobs for the week ending 14 March 2020.

Previously, a person's age (and age group) was redefined at each reference week and updated to the start of the time series included in that release. This resulted in the age group population being measured in each reference week changing over time, and becoming increasingly different to the population of interest. This issue particularly impacted the time series of the youngest (aged 15-19 years) and oldest (aged 70 years and over) persons age groups.

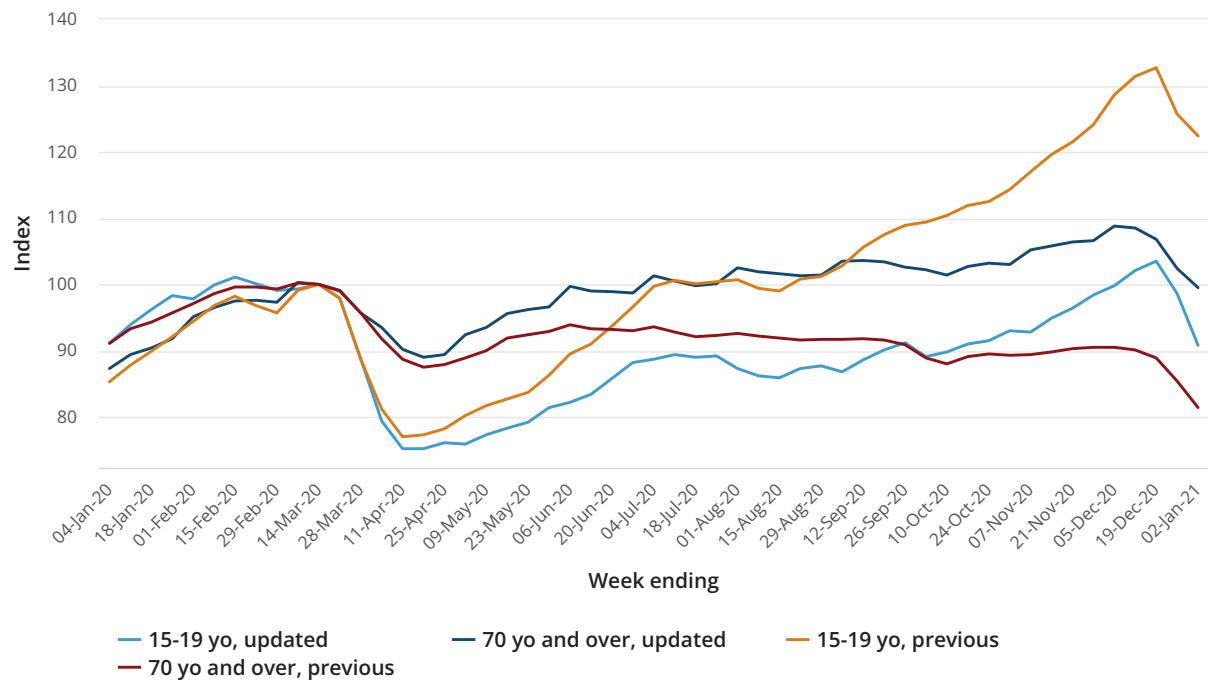
In this release, the derivation method has been updated to: hold a person's age (and consequently age group) constant until their birthday month; and 'age' a person at the start of their birthday month. That is, at the start of each calendar month, the age of all job occupants with a birthday in the coming month will be updated to that of their upcoming birthday.

Privacy protection has been increased by using calendar month to update age, rather than the more precise day and month. However, it may introduce a small amount of volatility in the week on week change at the start of each calendar month. That is, a portion of the movement in age group at the start of the month (payroll jobs and wages) may relate to the 'aging' of persons as they transition up an age group.

Indexes for national, state/territory, industry and employment size estimates are not affected by the updated method, as only those indexes with an age dimension have been impacted.

A comparison of payroll jobs by age group, using the updated and previous methods, is presented in the following graph for the age groups most affected by the change in method.

### Graph 1 - Payroll jobs by selected age groups by age derivation methods



### Incorporating new employer reported data

As new businesses commence reporting through STP, the ABS determines when the business appears in the dataset for the first time and distributes the year to date wages across all past payment periods for the current financial year. This ensures that weekly estimates best reflect change in the labour market over time through payment activities, rather than changes in the uptake of STP reporting by the businesses. This approach necessitates revisions across the time series.

Similarly, there can be a delay for new employees to appear in the STP data. By analysing the data over time, the ABS applies a coverage adjustment for this as part of producing the indexes.

From the 19 January 2021 release, the method used to backcast data for new reporters was adjusted to ensure that it better reflects when wages were actually paid.

## Reporting variability

Wage estimates are subject to a higher degree of reporting variability (due to seasonal variation in payments, changes in working hours and overtime) and revisions than the payroll jobs estimates. While the ABS accounts for employees being paid with different frequencies (weekly, fortnightly etc.) there are points in the year when additional reporting activity is more common, which may flow through to published estimates.

Reduced wages which are observed through May 2020 (and are more pronounced in COVID-19 impacted industries) may reflect a combination of:

- reduced wages being paid by COVID-19 affected employers, who may also have reduced hours over the period - particularly for jobs that weren't eligible for JobKeeper support,
- seasonal changes in wages (including bonus payments), and
- potential payroll reporting changes for some employers during May 2020. This could include changes to payment frequency or payment categorisation, both of which could affect the imputation methodology and how payments are effectively apportioned onto an accruals basis.

The first 'JobKeeper' payments were received by employers in the first week of May 2020. JobKeeper monies paid to employees through STP-enabled payrolls are incorporated into the wages index. Further information on the treatment of JobKeeper in ABS economic statistics can be found in [Economic measurement during COVID-19: Selected issues in the Economic Accounts, May 2020 \(https://www.abs.gov.au/ausstats/abs@.nsf/mf/5261.0?OpenDocument\)](https://www.abs.gov.au/ausstats/abs@.nsf/mf/5261.0?OpenDocument).

The dynamic nature of STP data can result in revisions to payroll jobs and wages indexes, caused by the re-submission of payroll data for historical pay periods (including prior financial years) by STP-enabled businesses. When re-submission results in an update to payroll jobs and wages levels at the index base reference period (of 14 March 2020), a revision across the index time series in component indexes may be observed.

## Seasonality

These estimates are presented as an 'original' data series, and do not include seasonally adjusted or trend data time series found in other labour statistics releases (e.g. Labour Force).

STP is a relatively new program (and data source). Generally, three to five years of data are required before good seasonally adjusted data can be produced, hence it is not yet possible to produce a seasonally adjusted series (with seasonal elements removed) or trend series

(with both the seasonal elements and irregular fluctuations removed). This means that variations in these estimates may reflect COVID-19 related impacts in the economy in addition to seasonal changes in the labour market.

Examples of seasonal characteristics which may be observed in the data include:

- High degree of seasonal change in the payroll jobs and wages data from November to February. Summer is a period of pronounced seasonality in Australia, with considerable labour market activity before Christmas, and a combination of public holidays, school holidays and lower business activity in the period after Christmas.
- Bonuses, which may be paid at any time during the year but often have an industry prevalence, e.g. bonus payments are more prevalent in the Mining and Financial and insurance services industries in March and September than other industries.
- Public and school holidays in late April 2020 where variation in employment activity may have affected the level of wages paid during this period.

## Year-end reporting

In addition to seasonal variation in the labour market, estimates may also be affected by modified business reporting of STP data over this period. This has resulted in higher than usual levels of imputation in the most recent reference periods in December and January in the following industries:

- Mining
- Information media and telecommunications
- Professional, scientific and technical services
- Health care and social assistance
- Arts and recreation services

## Data components, totals and index calculation

STP data is linked to other information held by the ABS to derive demographic and business characteristics such as age group, sex, geography and industry. If a specific characteristic cannot be linked or derived, and does not appear on the STP file, it is assigned an 'unknown' category (for that characteristic).

Records with 'unknown' characteristics are included in the calculation of index totals for that category. As 'total' and 'component' indexes are calculated independently, the inclusion of records with 'unknown' characteristics in a 'total' index can result in independent movement from 'component' indexes. For example, the 'total' index of Persons is calculated from the combined levels of Males, Females and 'unknown' (persons for whom a Male/Female sex cannot be determined). As a result, the Persons index can move independently from Male and Female indexes, which do not include 'unknown' persons. The proportion of unknown characteristics vary by characteristic.

Since the 19 January 2021 release, business data with an 'unknown' industry characteristics have been included in all index calculations (with the exception of industry indexes as the characteristic is 'unknown'). These data were previously excluded from the total payroll jobs and total wages time series.

## Hours worked, job attachment and employment status

STP data does not include information on hours worked or hours paid for. Analysis of monthly hours worked can be found in [Labour Force, Australia \(https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release\)](https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release), and [Labour Force, Australia, Detailed \(https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release\)](https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release). STP data are also unable to account for job attachment where a payment has not been made, where a jobholder was temporarily stood down without pay.

The estimates do not include information on the employment status of employees, i.e. full time or part time. This will be explored as part of ongoing work between the ABS and the ATO. In the interim, this information is also available within the suite of Labour Force releases.

## Acknowledgement of source

STP data is supplied by the ATO to the ABS under the Taxation Administration Act 1953, which requires that such data is only used for the purposes of administering the Census and Statistics Act 1905. Any discussion of data limitations or weaknesses is made within the context of using the data for statistical purposes, and is not related to the ability of the data to support the ATO's core operational requirements.

These estimates also include Australian Business Register (ABR) data supplied by the Registrar to the ABS under A New Tax System (Australian Business Number) Act 1999, which requires that such data is only used for the purpose of carrying out functions of the ABS. Any discussion of data limitations or weaknesses is in the context of using the data for statistical purposes, and is not related to the ability of the data to support the ABR's core operational requirements.

The ABS would like to acknowledge the critical support from the Australian Taxation Office (ATO) in enabling the ABS to produce these statistics.

## Differences to labour force employment statistics

Weekly Payroll Jobs and Wages in Australia are experimental estimates, compiled in near real time and published fortnightly. This information provides a complementary insight to

Labour Force statistics on employment, which provide a more comprehensive view of the Labour market.

The differences in concepts, scope and methodology used to produce changes in employment (as reported in Labour Force statistics) and changes in payroll jobs can affect their interpretation as economic measures. The following key differences should be considered when comparing these statistics.

<b>Weekly Payroll Jobs and Wages in Australia</b>		<b>Labour Force statistics</b>
<b>Focus of the statistics</b>	Payroll jobs.	People.
<b>Types of employment</b>	Payroll jobs for which a payment was reported to the ATO through STP.  Excludes: Owner managers of unincorporated enterprises;  Owner managers of incorporated enterprises where they are not paid through a STP reported payroll;  Contributing family workers where they are not paid through a STP reported payroll.	All employed people, including: Employees (including Owner managers of incorporated enterprises);  Owner managers of unincorporated enterprises;  Contributing family workers.
<b>Whether paid</b>	Only includes payroll jobs for which a payment was reported to the ATO through STP or there is an established payment pattern.	Includes all employed people who were paid or who had a job but weren't paid (on unpaid leave, temporarily stood down without pay, etc).
<b>Multiple job holding</b>	Each job is counted separately, irrespective of whether it is worked by a multiple job holder.	Around 6% of employed people are multiple job holders, particularly young people.

Recently released Labour Force analysis of employment versus payroll jobs up to August 2020 can be found in [Strong employment growth for non-employees \(abs.gov.au/articles/strong-employment-growth-non-employees\)](https://abs.gov.au/articles/strong-employment-growth-non-employees). More information on the coherence of Weekly Payroll Jobs and Wages estimates with similar ABS statistics are detailed in the Coherence section of [How data are processed \(https://abs.gov.au/methodologies/weekly-payroll-jobs-and-wages-australia-methodology/week-ending-16-january-2021#how-data-are-processed\)](https://abs.gov.au/methodologies/weekly-payroll-jobs-and-wages-australia-methodology/week-ending-16-january-2021#how-data-are-processed).

## Glossary

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#### Accrual basis

Recording wages when they are earned, accrued or incurred regardless of when payment is made or received.

## Australian Bureau of Statistics Business Register

A register of all Australian businesses and organisations maintained by the Australian Bureau of Statistics (ABS) for the purpose of producing statistical frames and business demography outputs. It contains identifying and classificatory data for each business and organisation.

Information to populate the ABS Business Register is largely sourced from the Australian Business Register.

The ABS Business Register consists of two subpopulations, the profiled population and the non-profiled population. The ABS Business Register uses an economic units model to describe the characteristics of businesses and the structural relationships between related businesses.

## Australian Business Number

A unique identifier. To be entitled to an Australian Business Number (ABN), an organisation must be one or more of the following:

- a company registered under the Corporations Act 2001
- an entity carrying on an enterprise in Australia
- a government entity
- a non-profit sub-entity for Goods and Services Tax purposes
- a superannuation fund.

A non-resident entity may be entitled to an ABN if they are carrying on an enterprise in Australia and/or, in the course of carrying on an enterprise, the entity makes sales that are connected with Australia.

## Australian Business Register

The data store containing details about businesses and organisations that have registered for an Australian Business Number. More information can be found on the [ABR website](https://abr.gov.au/) (<https://abr.gov.au/>).

## Cash basis

Recording the wage payment in the pay period when the payment was received by the employee.

## Commencement and termination dates

Commencement and termination dates associated with each job as reported through Single Touch Payroll.

## **Employee**

Persons who work for a private or public sector employer, where the employee has received payment in the reference week through Single Touch Payroll (STP) enabled software and reported to the Australian Taxation Office (ATO).

## **Employer**

An organisation with an Australian Business Number that provides employment income to one or more people, and reports through the ATO STP system.

## **Geography**

Based on residential address as sourced from either the ATO Client Register or STP data. See also Statistical area entries. For more information, see the [Australian Statistical Geography Standard \(ASGS\): Volume 1 – Main Structure and Greater Capital City Statistical Areas](https://www.abs.gov.au/AUSSTATS/abs@.nsf/ProductsbyCatalogue/871A7FF33DF471FBCA257801000DCD5F?OpenDocument) (<https://www.abs.gov.au/AUSSTATS/abs@.nsf/ProductsbyCatalogue/871A7FF33DF471FBCA257801000DCD5F?OpenDocument>).

## **Industry**

A homogenous grouping of economic activities undertaken to produce goods and services. The [Australian and New Zealand Standard Industrial Classification](https://www.abs.gov.au/ausstats/abs@.nsf/mf/1292.0) (<https://www.abs.gov.au/ausstats/abs@.nsf/mf/1292.0>) is used to classify an entity to an industry based on its dominant activity.

## **Industry division**

The broadest grouping of industries within the Australian and New Zealand Standard Industrial Classification. The main purpose of the industry division level is to provide a limited number of categories, which give a broad overall picture of the economy. There are 19 mutually exclusive divisions. For more information see the [Australian and New Zealand Standard Industrial Classification](https://www.abs.gov.au/ausstats/abs@.nsf/mf/1292.0) (<https://www.abs.gov.au/ausstats/abs@.nsf/mf/1292.0>).

## **Industry sub-division**

The second broadest grouping of industries within the Australian and New Zealand Statistical Industrial Classification. Industry subdivisions are built up from the industry groups which, in turn, are built up from industry classes. For more information see the [Australian and New Zealand Standard Industrial Classification](https://www.abs.gov.au/ausstats/abs@.nsf/mf/1292.0) (<https://www.abs.gov.au/ausstats/abs@.nsf/mf/1292.0>).

## **Job**

See payroll job.

## **Not available (NA)**

Statistic is not available. This can be to protect the confidentiality of data providers or to prevent misinterpretation of statistics due to poor quality.

## **Owner-manager of unincorporated enterprises (OMUE)**

A person who operates their own unincorporated enterprise, which does not possess a separate legal identity to that of its owner(s), or engages independently in a profession or trade.

OMUEs can also be referred to as self-employed. Owner managers of unincorporated enterprises are not included in these estimates as they are not in scope of STP-enabled software reporting to the ATO.

Unincorporated enterprises are further defined in the [Standard Economic Sector Classifications of Australia \(<https://www.abs.gov.au/ausstats/abs@.nsf/mf/1218.0>\)](https://www.abs.gov.au/ausstats/abs@.nsf/mf/1218.0).

## **Payroll job**

A payroll job is a relationship between an employee and their employing enterprise, where the employee is paid in the reference week through STP-enabled payroll or accounting software and reported to the ATO. Where an employee is paid other than weekly, the established payment pattern is used to identify jobs in weeks outside the payment week.

## **Single Touch Payroll**

The Single Touch Payroll (STP) system sends taxation and superannuation information from a business' STP-enabled payroll or accounting software to the ATO as a business runs its payroll.

## **Sex**

Self reported sex (i.e. male/ female) of a person as reported through the ATO taxation system. Categories other than male or female are not published separately in this release but are included in published totals.

## **Statistical area level 3**

Statistical area level 3 (SA3) regions are designed to provide a regional breakdown of Australia. They generally have a population of between 30,000 and 130,000 people. In regional areas, SA3s represent the area serviced by regional cities that have a population over 20,000 people. In the major cities, SA3s represent the area serviced by a major transport and commercial hub. They often closely align to large urban Local Government Areas (e.g. Gladstone, Geelong). In outer regional and remote areas, SA3s represent areas

which are widely recognised as having a distinct identity and similar social and economic characteristics.

## Statistical area level 4

Statistical area level 4 (SA4) regions are specifically designed to reflect labour markets within each state and territory within population limits. In regional areas, SA4s tend to have lower populations (100,000 to 300,000), while in metropolitan areas, SA4s tend to have larger populations (300,000 to 500,000).

## Type of activity unit

The statistical unit for more significant and diverse businesses in the profiled population. A type of activity unit (TAU) is a constructed unit that can practically group and report on homogenous production activities at the industry sub-division level.

In this publication, the TAU is used to represent employers in the profiled population.

## Type of legal organisation

All legal entities on the ABS Business Register are classified according to their type of legal organisation, of which there are three types:

- incorporated private sector entities
- unincorporated private sector entities
- public sector entities.

The type of legal organisation indicates whether a business is part of the private or public sector and the type of ownership structure. For more information see the [Standard Economic Sector Classifications of Australia \(<https://www.abs.gov.au/ausstats/abs@.nsf/mf/1218.0>\)](https://www.abs.gov.au/ausstats/abs@.nsf/mf/1218.0).

## Wages

Wages include salary payments and allowances, labour hire payments and foreign income, as well as the value of payments in kind (where a fringe benefit amount is recorded).

Bonuses are typically included where they are reported in the same field as normal payments. Wages are calculated as gross amounts, prior to taxation and deductions.

Wages exclude payments to employee's superannuation as well as severance and termination payments. Wages are only available for payroll jobs and do not include income from own businesses or other sources.

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## Abbreviations

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\$	dollars
'000	thousand
ABR	Australian Business Register
ABS	Australian Bureau of Statistics
ACT	Australian Capital Territory
ANZSIC	Australian and New Zealand Standard Industrial Classification
ASGS	Australian Statistical Geography Standard
ATO	Australian Taxation Office
Aust.	Australia
excl.	excludes or excluding
FBT	fringe benefits tax
Govt	Government
ITR	Individual Tax Return
LE	Legal Entity
LFS	Labour Force Survey
m	million
NA	Not Available
no.	number
NSW	New South Wales
NT	Northern Territory
OMUE	Owner manager of unincorporated enterprise
PIT	Personal Income Tax
pts	Index points
QBIS	Quarterly Business Indicators Survey
Qld	Queensland
SA	South Australia
SA3	Statistical Area Level 3
SA4	Statistical Area Level 4
SIH	Survey of Income and Housing
STP	Single Touch Payroll
Sub-div	Sub-division
Tas.	Tasmania
TAU	Type of Activity Unit
TOLO	Type of Legal Organisation
TFN	Tax File Number
Unincorp.	Unincorporated
Vic.	Victoria

